

# SENATOR BILLIE BREAUX



## Indiana Home Owner Protection Act

In response to the growing concern for the many seniors and other consumers who have been victimized by abusive and deceptive lending practices resulting in high cost loans charging unjustifiable fees and excessive interest rates, lawmakers approved **HEA 1229**. Referred to as the “Indiana Home Owner Protection Act,” this measure provides a framework for controlling these high cost loans and interest rates while helping both lenders and borrowers fully understand what types of loans are acceptable.

Abusive and deceptive practices common to predatory lending can be very harmful to consumers. Owners losing their homes has been the most severe consequence. Under the act, abusive practices are prohibited for all home loans including loan flipping, excessive late fees, prepayment penalties, charging the consumer a fee to receive a balance due

statement, and discrimination on the basis of race, color, religion, national origin, sex, marital status or age.

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The bill directs the state’s Attorney General to establish a Home Owner Protection Unit to investigate deceptive practices, institute appropriate administrative and civil actions, and pursue prosecution when appropriate.

In addition, HEA 1229 establishes the Home Owner Education Program which will be responsible for identifying, promoting, assisting, and funding the education programs conducted throughout Indiana by nonprofit counseling agencies.

## Revitalizing Indiana’s Economy

*Small businesses, high-tech and distressed urban centers benefit from new laws*

As Indiana continues to actively pursue new business and economic development through last year’s Energize Indiana initiative, new programs such as the Microenterprise Partnership Program will encourage and foster success for Hoosier entrepreneurs.

**HEA 1434** creates an economic development package designed to promote and assist small business and technology-related training and industry in Indiana. Under the act, the Microenterprise Partnership Program will be created to provide funding for programs aimed at helping small businesses with 5 or fewer employees, many of which are operated by women and minorities. An estimated 2 million microentrepreneurs in America operate businesses such as furniture repair, jewelry making, day care, in-home catering, and nail care.

Also established under HEA 1434, the State Technology Advancement and Retention (STAR) Account will provide funding for programs that will advance and retain technology businesses as well as retain graduates in the technology field here in Indiana.

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REPRESENTING SENATE DISTRICT 34  
INCLUDING TOWNSHIPS IN THE CENTRAL AND EASTERN PORTIONS OF MARION COUNTY

## Booster seat law

*Child restraint seats to be required for children under the age of eight*

According to the National Highway Transportation Safety Administration (NHTSA), traffic accidents are the leading cause of death for children ages 5 to 14. This can be linked in part to the nonuse or improper use of child safety seats. When children out-grow forward-facing child safety seats, they should be restrained in belt-positioning booster seats. Children typically move to a booster seat at age 4 and/or when they weigh approximately 40 pounds.



The Journal of the American Medical Association last year found that injuries declined about 59% when children used booster seats; but few children do, a factor that precipitated the new law. Legislators approved **HEA 1098** which will require that children less than 8 years of age be required to use booster seats. In addition, passengers between 8 and 16 will be required to wear a seat belt.

The act also creates a Child Restraint System Account that will provide grants to private and public organizations to purchase and distribute child restraint systems at minimal or no charge.

To provide parents an opportunity to prepare for the new regulations, the bill will not take effect until July 1, 2005.

## Work continues on tax reform

Property tax issues remained a major topic of discussion throughout session, even after the passage of **SEA 1** during the mini-session that adjourned last December. We were able to make some improvements to the current system, but I was disappointed that more targeted tax relief was not achieved for seniors, working families, and farmers.

As you probably know, state government only receives less than one-half of 1 percent of all property taxes collected throughout Indiana and this revenue is dedicated solely to a few special programs like state forestry. Property taxes are used almost exclusively for schools, fire and police protection, and other local government services. The state had previously imposed controls on local government spending, but **SEA 1** makes them more restrictive - some have estimated the savings for taxpayers at \$500 million.

**I authored SEA 296** which will more than double the dollar value of property tax deductions for elderly Hoosiers, the blind or disabled, disabled veterans, World War I veterans and surviv-

ing spouses, and residential and historic property rehabilitation. If you think you may be eligible for any of these tax breaks and are not currently receiving them, contact your county auditor. (Visit our website at [www.in.gov/senate\\_democrats](http://www.in.gov/senate_democrats) to view deduction increases and obtain auditor information.)

**HEA 1005** contains provisions with an eye toward major reform of the property tax system in the near future. This new law will set up a pilot program to provide taxpayer-friendly bills to citizens, a concept referred to as "truth in tax billing." Such detailed tax bills are used in other states and break down taxes by levying unit showing comparisons with the previous year's bill. Also included is information on available deductions and credits as well as a simple explanation on how to appeal.

In addition, **HEA 1005** establishes two commissions that will study the replacement of property taxes with other revenue sources and the restructuring of local government. My hope is that recommendations will become legislative proposals, helping policymakers to take major steps to reduce the reliance of local government

### REVITALIZING INDIANA'S ECONOMY (CONTINUED FROM PAGE 1)

#### Bringing business to Indiana's downtowns

An Enterprise Zone Study Commission was established under **HEA 1438** to study means of assisting enterprise zones in attracting businesses to downtown and disadvantaged areas. Aimed at improving the quality of life in distressed urban areas, enterprise zones were approved by the Indiana General Assembly in 1983. The 28 active enterprise zones in Indiana are comprehensive programs requiring the coordinated effort of businesses, government, and residents. The study commission will

examine these relationships and work to promote economic revitalization in distressed Indiana communities.

#### Promoting the high-tech sector

When Governor Joe Kernan spearheaded the drive to modernize the tax code in 2002, one of the major successes was the doubling of the Research & Development Tax Credit which helps to promote high-tech, high-wage jobs. This incentive was originally set to expire within the next ten years, but **HEA 1365** makes this credit permanent, sending a signal to businesses that Indiana is fully committed to growing a high-tech sector.

# Protecting Hoosier children

*New laws will enforce stricter standards on foster care and adoptive procedures.*

Last year, according to the Family and Social Services Agency (FSSA), 51 children died of abuse and neglect in Indiana. Some of those deaths could have been prevented. In reaction to these tragedies, the General Assembly passed legislation to better protect children.

Breaux was a sponsor of **HEA 1194**, which establishes the Statewide Child Fatality Review Committee. If the county where a child dies does not have a Local Child Fatality Review Team, then the Statewide Committee will be available to investigate a sudden, unexpected, or unexplained death. The committee will also review suspicious deaths at the request of the local team or an individual.

The act also expands the public's right to access FSSA records in the event a child dies while in the custody of Child Protective Services (CPS). The facts and circumstances surrounding the death caused by abuse, abandonment, or neglect would be available for public review after a juvenile court has removed the confidential information.

To ensure that CPS places children in safe homes, criminal background checks will be required on all individuals living in the foster or adoptive home, including both family and non-family members. This language was added due to a case in January 2002 of a 4-year-old boy who died of abuse after being placed with adoptive parents. Investigators have determined that a background check would have found at least two cases of substantiated abuse in his adoptive home.

Additionally, caseworkers who suspect abuse or neglect, but do not have enough evidence to prove it, can maintain a report of the incident for up to one year. If no additional reports are filed during that time, the report will be purged from the records.

**SEA 194** allows CPS to more easily intervene for a child who lives in the same household as another child who has been the victim of sexual abuse. If it is determined that a child is not receiving proper care and that it is unlikely to be provided without the coercive intervention of the court, the child

would be considered a Child in Need of Services (CHINS). According to FSSA, there are 972 children who lived in the same home as a victim of sexual abuse.

However, the legislation also protects the rights of parents and guardians by requiring that a CHINS child may not be taken into custody unless a court finds cause.

**HEA 1245** increases the penalty for the neglect of a dependent resulting in death from a Class D felony to a Class A felony which carries a sentence of up to 30 years in prison and a maximum fine of \$10,000. Additional penalties would also be imposed on adults who furnish alcohol or drugs to minors and use of the substance results in serious bodily injury or death.



Senator Breaux greets Dr. Woodie White and Rev. John VanValin, who were honored guests of the State Senate in March.

## Breaux Initiatives Become Law

I am pleased to report that several of my initiatives have been signed into law by Governor Kernan. A few of these include:

- **SEA 133** will allow an individual to set an advance directive for mental health care.
- **HEA 1251** will create a Regional Drug Repository Program to collect and redistribute unused prescription drugs to nonprofit health clinics serving the uninsured, indigent, or underinsured.
- **HEA 1229**, known as the Indiana Home Owner Protection Act, will protect Indiana homeowners from deceptive and abusive practices known as predatory lending.
- **HEA 1308** defines "cultural competency" in education and sets forth teacher training, professional development, and school plan requirements for achieving cultural competency in Indiana schools.
- **HEA 1133** requires every child who enters grade 9 or grade 12 after June 30, 2005, to be immunized against Hepatitis B.



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## Full-day kindergarten push continues

*Many legislators and parents disappointed by lack of support for Hoosier schoolchildren*

Part of Governor Kernan's legislative agenda included the creation of the "Early Learning Trust," which provided for an expansion of optional, full-day kindergarten. The Trust is a bold commitment to early learning programs ensuring that all Hoosier children enter school ready and able to succeed.

Studies reflect that children who attend kindergarten and other early learning programs are more likely to succeed in school, achieve higher test scores, less likely to need costly special education programs, less likely to repeat grades, and more likely to graduate from high school. For every dollar spent on high-quality, early education, \$7.16 is saved in welfare, special education, and criminal justice costs.

Contained in **HB 1234** and approved by the House, the Governor's initiative would have expanded voluntary, state-funded full-day kindergarten from 6,000 to 20,000 students starting this fall and made it available statewide beginning in 2007.

However, the legislation ran into trouble in the Senate. Majority republicans stripped the bill's contents and in-

serted language calling for a summer study on the possibility of statewide, voluntary, full-day kindergarten. There was much disagreement regarding this change and House and Senate negotiators, along with representatives of the Governor's office, attempted to forge a compromise. Unfortunately, these negotiations failed during the waning hours of session.

Despite the failure of HB 1234, it has had the positive effect of raising public awareness of this issue. Additionally, Governor Kernan has established a commission to study the most effective policy direction and methods to improve the quality, coordination, delivery of and access to, early education and school readiness services, including child care (home and center-based), preschool, and family support services and programs.



*Senator Breaux was assisted during the 2004 session by Intern Yusuf Young, a student at IUPUI. Young is also from Indianapolis.*